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FINAL FISCAL NOTE

Drafting Number: LLS 18-0616 Date: July 20, 2018
Prime Sponsors: Sen. Jahn Bill Status: Signed into Law
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Bill Topic: CIVIL JURISDICTION OF COUNTY COURTS AND FILING FEES

- Summary of Fiscal Impact:
State Revenue (checked)
State Expenditure (minimal) (checked)
State Transfer (unchecked)
TABOR Refund (unchecked)
Local Government (checked)
Statutory Public Entity (unchecked)

This bill increases the claim amount for when a case may be filed in county court from \$15,000 to \$25,000 and changes county and district court filing fees. This bill increases state revenue and decreases state workload. Denver County revenue, costs, and workload are increased. These impacts continue in future years.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under SB 18-056

Table with 4 columns: Category, Sub-category, FY 2018-19, FY 2019-20. Rows include Revenue (Cash Funds: \$13,311 to \$26,622), Expenditures (-), Transfers (-), and TABOR Refund (General Fund: \$13,311 to \$26,622).

Summary of Legislation

Under current law, county courts and district courts have concurrent jurisdiction in civil cases where the claim is \$15,000 or less, which means a claimant may file the case in either county or district court. This bill increases the concurrent jurisdiction amount to \$25,000 or less.

The State Court Administrator in the Judicial Department is required to analyze case information and data, including types of claims and attorney fees awards to determine appropriate factors for setting the civil jurisdiction amount in the future. This information is to be reported to the General Assembly by November 1, 2018.

This bill also changes civil court and district court filing fees as shown in Table 2 and makes changes regarding the distribution of filing fees to Judicial Department cash funds as specified in the bill.

**Table 2
 Filing Fee Impact Changes under SB 18-056**

Type of Fee	Claim Amount	Current Filing Fee	Proposed Filing Fee
County court - plaintiff, petitioner, third-party plaintiff, or party filing a cross or counter claim	less than \$1,000	\$97	\$85
	\$1,000 up to \$15,000	\$97	\$105
	\$15,000 up to \$25,000	\$97	\$135
County court - defendant, respondent, third-party defendant, other party that is not filing a cross or counter claim	less than \$1,000	\$97	\$80
	\$1,000 up to \$15,000	\$97	\$100
	\$15,000 up to \$25,000	\$97	\$130
District court	over \$25,000	\$224	\$235

Background and Assumptions

In FY 2015-16 there were 30,969 district court civil filings. The court issued a judgment in 5,503 of these cases, with 1,468 judgments between \$15,000 and \$25,000 (26.70 percent).

Based on district court filings and the percentage of judgments between \$15,000 and \$25,000, the following assumptions are made for this analysis:

- 8,269 district court case filings will be eligible to be filed in county court under this bill (30,969 filings X 26.70 percent);
- all Denver cases, 1,199, will be filed in Denver County Court, which is not part of the state court system; and
- of the remaining 7,070 (8,269 - 1,199) district court filings, 50 percent or 3,535 will be filed in county court, with the rest remaining in district court.

Overall, district court filings are expected to decrease by 4,734 (3,535 county court filings, 1,199 Denver County Court filings). State county court filings will increase by 3,535 and Denver County Court filings will increase by 1,199.

State Revenue

This bill decreases state cash fund revenue from civil filing fees by \$13,311 in FY 2018-19 and \$26,622 in FY 2019-20 and beyond. FY 2018-19 revenue is prorated by six months to reflect the bill's January 1, 2019, effective date. These estimated impacts are discussed below and are summarized in Table 3, with more detailed information provided in Tables 4 and 5. Actual revenue collected will depend on the number of civil filings, type of court in which the civil filing occurs, indigency status of filers, and collection rates.

**Table 3
Civil Filing Fee Impact Summary**

Fiscal Year	Type of Fee	Total Fee Impact
FY 2018-19	Civil claim filing fee revenue	\$14,191
	Civil claim response and cross/counter claim fee revenue	(\$880)
FY 2018-19 Total		\$13,311
FY 2019-20	Civil claim filing fee revenue	\$28,382
	Civil claim response and cross/counter claim fee revenue	(\$1,760)
FY 2019-20 Total		\$26,622

Fee impact on civil filing fees. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Table 4 estimates the impact of this bill for the change in filing fees and the projected change in the number of district and county court filings.

Table 4
Full Year Civil Filing Fee Impact under SB 18-056

Type of Filing Fee	Claim Amount	Filing Fee	Case Filings	Filing Fee Revenue
Civil case filings and revenue under current law				
	less than \$1,000	\$97	35,910	\$3,483,270
County Court claim	\$1,000 up to \$15,000	\$97	97,570	\$9,464,290
	\$15,000 up to \$35,000	\$97	4,880	\$473,360
District Court claim	over \$35,000	\$224	27,390	\$6,135,360
Current subtotal			165,750	\$19,556,280
Estimated civil case filings and revenue under SB 18-056				
	less than \$1,000	\$85	37,220	\$3,163,700
County Court claim	\$1,000 up to \$15,000	\$105	101,140	\$10,619,700
	\$15,000 up to \$35,000	\$135	3,540	\$477,900
District Court claim	over \$35,000	\$235	22,660	\$5,325,100
Estimated subtotal			164,560	\$19,586,400
Difference			(1,190)	\$30,120
Difference (94.2 percent collection rate)			(1,190)	\$28,382

Fee impact on civil response and cross/counter claim fees. Under current law, fees are charged for responding to a claim (\$92 county court/\$158 district court) and for filing a cross or counter claim (\$97 county court/\$376 district court). Table 5 estimates the fee impact of this bill for the change in response and cross/counter claim filing fees and the change in the number of district and county court filings based on 2017 cases with at least one filed response.

Table 5
Full Year Additional Filing Fee Impact under SB 18-056

Type of Fee	Claim Amount	Filing Fee	Case Filings	Fee Revenue
Additional filings and fee revenue under current law				
County court response	less than \$1,000	\$92	1,020	\$93,840
	\$1,000 up to \$15,000	\$92	5,330	\$490,360
	\$15,000 up to \$35,000	\$92	550	\$50,600
County court cross/counter claim	less than \$1,000	\$96*	340	\$32,640
	\$1,000 up to \$15,000	\$96*	950	\$91,200
	\$15,000 up to \$35,000	\$96*	90	\$8,640
District court response	over \$35,000	\$158	7,400	\$1,169,200
District court cross/counter claim	over \$35,000	\$376	960	\$360,960
Current subtotal			16,640	\$2,297,440
Additional filings and fee revenue under current law				
County court response	less than \$1,000	\$80	1,120	\$89,600
	\$1,000 up to \$15,000	\$100	5,060	\$506,000
	\$15,000 up to \$35,000	\$130	350	\$45,500
County court cross/counter claim	less than \$1,000	\$85	370	\$31,450
	\$1,000 up to \$15,000	\$105	1,010	\$106,050
	\$15,000 up to \$35,000	\$135	70	\$9,450
District court response	over \$35,000	\$192	6,120	\$1,175,040
District court cross/counter claim	over \$35,000	\$421	790	\$332,590
Estimated subtotal			14,890	\$2,295,680
Difference			(1,750)**	(\$1,760)

* \$1 of the \$97 civil filing fee is applied to the state General Fund, but can only be done once; therefore, subsequent filings are charged \$96.

** The reduction in civil case filings (1,190) differs from the reduction in additional filings (1,750) due multiple response and cross/counter claim filings in some cases.

TABOR Refund

This bill increases state cash fund revenue from civil court fees by \$13,311 in FY 2018-19 and \$26,622 in FY 2019-20, which will increase the amount of money required to be refunded under TABOR by \$13,311 in FY 2018-19 and \$26,622 in FY 2019-20. Since the bill increases the

TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will decrease by an identical amount. State revenue subject to TABOR is not estimated for years beyond FY 2019-20.

State Expenditures

Beginning in FY 2018-19, this bill reduces trial court workload. It is estimated that district court workload will decrease by 4,734 cases, while county court workload will increase by 3,535 civil cases on an ongoing basis. The net impact is a decrease of 1,199 cases which will no longer be tried in the state court system and will instead be tried in Denver County Court. Using the county court caseload standard of 4,994 cases per year, this amounts to a 0.2 FTE reduction which is below the 0.5 FTE threshold used by the Judicial Department for requesting state appropriation adjustments; therefore, this impact does not require a reduction in appropriations.

The shift of 3,535 cases from state district courts to state county courts is not expected to impact staffing levels, because it is assumed that the cases moving are basic civil disputes that are reflective of existing county court workload standards and would take the same amount of time to try regardless of the court in which they are filed in. Should the number of cases shifting from district to county court differ or require less time than anticipated, the Judicial Department will request appropriation adjustments through the annual budget process.

Beginning in FY 2018-19, this bill increases workload for the Judicial Department to conduct a study on civil case claims and attorneys fees and to report to the General Assembly by November 1, 2018. This work can be accomplished within existing appropriations.

Local Government

Denver County Court, administered and funded by the City and County of Denver, has separate statutory authority and is not part of the state court system. It is assumed that all 1,199 state Denver District court cases will now be processed in Denver County Court. This increases City and County of Denver revenue, costs, and workload. These impacts have not been estimated.

Effective Date

The bill was signed into law by the Governor on May 29, 2018, and takes effect January 1, 2019. However, section 4 of the bill concerning the Judicial Department study on civil case claims and attorneys fees is effective August 8, 2018, assuming no referendum petition is filed.

State and Local Government Contacts

Information Technology Judicial